

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish Rules  
Governing the Transfer of Customers from  
Competitive Local Carriers Exiting the Local  
Telecommunications Market.

Rulemaking 03-06-020  
(Filed June 19, 2003)

**ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO**

This ruling confirms the scope of the proceeding as set forth in the preliminary scoping memo in the Order Instituting Rulemaking (OIR). This ruling also requests comments on proposed Mass Migration Guidelines (MMG) and schedules a workshop to address implementing those guidelines in order to resolve the outstanding issues in this proceeding.

**Background**

The Commission opened this rulemaking to establish rules governing the transfer of customers from Competitive Local Exchange Carriers (CLEC) exiting the local telecommunications market and requested comments on six issues identified in the OIR. AT&T Communications of California, Inc. (AT&T), Covad Communications Company (Covad), Pacific Bell Telephone Company (SBC California), The Utility Reform Network (TURN), Verizon California Inc. (Verizon), and WorldCom, Inc. (MCI) filed opening comments on August 22, 2003. AT&T, MCI, the Office of Ratepayer Advocates (ORA),

SBC California, TURN, and Verizon filed reply comments on September 22, 2003.<sup>1</sup>

## **Parties' Comments on OIR Issues**

### **Adoption of Rules or Guidelines**

Most parties support adopting mass migration rules or guidelines. Only MCI opposes adopting new mass migration rules but states in its reply comments that, should the proceeding go forward, it concurs with AT&T's comments. AT&T suggests that guidelines should address two items: 1) what happens when an end user fails to select a carrier of choice; and 2) CLEC communications with carriers and the Commission.

### **Adoption of New York Public Service Commission's MMG on an Interim Basis**

Most parties oppose adopting the New York Public Service Commission's MMG on an interim basis. Instead, parties prefer that rules be adopted through a collaborative process and/or workshops.

Verizon submitted revised MMG that are based on the New York model. SBC California supports Verizon's proposed guidelines as a preferred starting point for discussion and recommends workshops to discuss implementation issues. I agree that Verizon's revised MMG, which reflect regulatory requirements in California, are a good starting point. Commission staff have reviewed Verizon's proposal and have further revised the MMG. I will request additional comments on the further revisions to the MMG, that reflect both the comments of the parties and the Commission's experience with mass migrations,

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<sup>1</sup> ORA requested and received a one-day extension to file its reply comments.

and will schedule a workshop to address implementation issues for the proposed MMG, as suggested by the parties.

**Carrier of Last Resort or Default Provider**

SBC California and Verizon, two Incumbent Local Exchange Carriers (ILEC), generally oppose a carrier of last resort or default provider designation, asserting carriers should serve customers that request their service and the default carrier should serve only under a negotiated agreement with the exiting carrier.

AT&T states the ILEC should be the default carrier when it is the wholesale service provider, and MCI states the ILEC should serve as the default carrier only if no other facilities-based carrier has agreed to be one. TURN and ORA support requiring a default carrier if there are no alternatives for the customer, especially if there is only one other carrier serving the territory in which the customer resides or where there are no facilities other than the exiting carrier's.

I concur that a default carrier is necessary under some circumstances. Although necessary, no carrier should be required to act as the default carrier without appropriate safeguards, including negotiated agreements with any arranged carrier and/or exiting carrier and compensation for the default carrier for providing service and transferring customers. If there is no negotiated agreement for compensation and the Commission orders the default carrier to continue to provide service and/or transfer customers, the default carrier should receive reasonable compensation under the appropriate regulatory framework, either as an exogenous factor in the annual price cap filing or through one of the

high cost fund surcharges.<sup>2</sup> No arranged carrier should be eligible for such compensation.

### **Other Issues**

Parties generally agree that service quality rules, as required by General Order (GO) 133-B and Operations Support Systems (OSS) performance measurements, can be suspended during the mass migration process, but AT&T, WorldCom, TURN, and ORA state the Commission should grant that relief on a case-by-case basis. Parties generally agree that the Commission should coordinate its adopted mass migration process with pending bankruptcy proceedings.

Covad, Verizon, and SBC California support adopting CLEC to CLEC migration rules at this time. AT&T states the Commission should not adopt CLEC to CLEC migration guidelines, because the New York process resulted in unworkable guidelines. Covad proposes the Commission also consider ILEC to CLEC guidelines and guidelines applicable to data services. No other party supports expanding the scope of this proceeding.

I tentatively conclude that waiver of service quality rules is necessary for some mass migrations, e.g., when thousands of customers must be migrated. I

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<sup>2</sup> In one instance, the default carrier had no information about the exiting carrier's customers other than their telephone numbers. Ultimately, the arranged carrier compensated the default carrier at an agreed-upon rate. In another instance, we ordered the Underlying Service Provider to continue to provide service to CLEC customers or transfer these customers when the CLEC was delinquent in paying its payments for resale service. Although we permitted the Underlying Service Provider to charge its retail rates for continuing to provide service, we did not permit further compensation for the costs of transferring customers. (See Resolution T-16139, Appendix B.)

decline to recommend a blanket exemption but realize that the need for a waiver is more likely when the MMG cannot be followed, when it is necessary for a default carrier to provide service, or when the exiting CLEC declines to follow mass migration procedures.

Although mass migrations can cause service quality disruptions, any modification to service quality reporting is not part of the mass migration process or the MMG. GO 133-B exception reporting could be modified to require a carrier to file all quarterly reports for failure to meet measures due to a mass migration 30 days after the quarter in which the migrations are completed. OSS performance measurement reports should be filed when due but SBC California could request relief from incentive payments should the mass migration process result in failure to meet required measurements.

In principle, the Commission should coordinate adopted MMG with any bankruptcy proceedings. The proposed guidelines offer some flexibility for that coordination and parties are invited to offer more specific proposals to enhance such coordination.

Adopting CLEC to CLEC mass migration procedures is more controversial. Because those guidelines are more problematic, I solicit parties' suggestions for some guiding principles for such guidelines, as suggested by the parties. Any action on those suggestions within the timeframe outlined in the OIR is unlikely. I decline to further expand the scope of this proceeding to consider guidelines for data services migrations.

### **Scoping Memo**

The preliminary scoping memo set forth the issues to be considered in this proceeding. After reviewing the parties' comments, I affirm the scope of the proceeding set forth therein. In its OIR the Commission preliminarily

determined that this is a “quasi-legislative” proceeding and that evidentiary hearings are not required. (OIR, *mimeo.*, p.8.) No party objected to the categorization of this proceeding as “quasi-legislative” or requested hearings. Thus, I affirm the preliminary categorization and hearing determinations made in the OIR.

**Schedule for Comments on Proposed Mass Migrations Guidelines and Implementation Workshop**

I request comments by June 2, 2004 on the proposed MMG, attached to this ruling as Attachment A. The parties should focus their comments on implementation concerns and need not repeat their earlier comments. The parties also may address this ruling’s discussion of waiver of service quality rules, since that issue is not addressed in the MMG, and may further address CLEC to CLEC mass migration issues. A workshop to address implementation issues will be held on June 30, 2004. Staff will delegate the preparation of a workshop report to a party and that report will be due within 20 days of the workshop. A draft decision will follow in 90 days and a final decision will issue 30 days after the draft decision.

**IT IS RULED** that:

1. The scope of this proceeding is as set forth in the Order Instituting Rulemaking (OIR).
2. This proceeding is categorized as “quasi-legislative” and evidentiary hearings are not necessary, consistent with the preliminary category and hearing determinations made by the Commission in the OIR. This ruling on category may be appealed, as provided in Rule 6.4.
3. Comments on the Proposed Mass Migration Guidelines, attached as Attachment A, shall be filed by June 2, 2004.

4. A workshop is scheduled on June 30, 2004 at 10:00 in the Commission's Training Room, State Office Building, 505 Van Ness Avenue (at McAllister), San Francisco, California.

Dated May 4, 2004, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

ATTACHMENT A

**Mass Migration Guidelines**

These guidelines are to be used when a CLEC is exiting the local exchange services market, or a portion of its market, and has a customer base to migrate to other carriers. Such a mass migration may require special cutover procedures to accommodate a large number of service orders over a short period of time. Specifically, carriers will need to suspend normal order processing for the customers involved in a mass migration and follow the processes outlined in these guidelines.



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- A. Sample Customer Letters
- B. Mass Migration Process

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**I. Objective**

When a Competitive Local Exchange Carrier (CLEC) discontinues local exchange services, that CLEC must give its customers the opportunity to migrate to another local exchange carrier without interruption of service.

**II. General Principles**

The goals of these mass migration guidelines are to:

1. Ensure that customers do not lose essential local voice service when their local service provider exits the market.
2. Maintain the ability of regulators to monitor events and assist parties if needed.
3. Avoid double migrations whenever possible. Double migrations are generally the product of timing constraints where the customer is migrated initially without their action to an “Arranged Carrier” and then again to the carrier of the customer’s choice. For purposes of these guidelines, an “Arranged Carrier” is a carrier with whom the exiting CLEC has negotiated a lawful and feasible business arrangement to serve those customers of the exiting CLEC who do not voluntarily choose a replacement carrier in the time provided under these Guidelines.
4. Require that the CLEC give its customers ample notification to allow the customers to select the carrier of their choice.
5. Comply with federal and state laws and regulations.
6. Coordinate information flow and activities through a project management team.
7. Ensure that the exiting CLEC provides sufficient network information for each facilitating ILEC or other underlying Network Service Provider and each customer’s new retail carrier to migrate its customers seamlessly.

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**III. Regulatory Notification**

The Public Utilities Commission of the State of California requires that a CLEC may withdraw from providing local exchange service to customers only with Commission approval. The CLECs must seek such approval by way of an Application, and must continue to provide service until the Commission approves the Application. (See General Order 96-A, § XIV; see also D.02-05-044.)

Along with the Application, the Commission will now require the CLEC to file an Exit Plan. The Exit Plan should contain the information noted in the checklist below. Staff will review the Exit Plan and provide feedback to the exiting CLEC. Staff will not approve exit Plans, but Staff will advise a CLEC whether the Exit Plan contains sufficient information to put the CLEC in a position where the Commission is likely to approve the CLEC's Application. Staff will also advise the exiting CLEC regarding any obligations to cancel or modify its tariffs and/or its certificate of public convenience and necessity.

The Application and Exit Plan should be filed at the Commission at least 90 days in advance of the proposed date for the CLEC's discontinuance of service. If a CLEC is unable to meet this 90-day advance notice requirement, it may request permission from the Director of the Telecommunications Division to submit its Exit Plan less than 90 days in advance of the proposed date of discontinuance; if the Director of the Telecommunications Division approves the request, the CLEC shall submit its Exit Plan by the date specified. Whatever the advance notification period is, it must be provided with sufficient time for the carrier to migrate its customers to other carriers. As a result, it is expected that

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complex migrations will require more advance notification than simple migrations.

The Exit Plan filed with the Commission must include:

1. A sample of the initial letter to be sent to the customers.
2. Plans for follow-up notification arrangements such as a second letter, phone calls, bill inserts, e-mails, etc.
3. A cutoff date when customers must select a carrier.
4. A proposed final termination date.
5. Contact names and telephone numbers for the cutover coordinator, the regulatory contact and any other pertinent contacts such as customer service records (CSR) and/or provisioning contacts, if separate.
6. A description of the customer service arrangements the exiting CLEC has made with the Arranged Carrier(s), if any.
7. Steps to be taken with the number code and/or pooling administrator to transfer NXX or thousand number blocks (if applicable) while preserving number portability for numbers within the code.
8. The current customer serving arrangements and the underlying service provider, e.g. UNE-P (x carrier), resale (y carrier), UNE-L (x carrier) or Full Facilities.
9. The arrangements made with underlying Network Service Providers for transfer of underlying service, where the exiting CLEC has made customer service arrangements directly with another carrier.
10. The number of customers impacted.
11. Identification of customers where the exiting CLEC is the only provider of facilities to a customer or group of customers.
12. A summary of how (in what format) the CSRs are being kept, a statement of what data elements are in these CSRs, and a

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statement about how the CSRs will be made available to other carriers. (The data elements required to migrate a customer are specified below in Section VI.)

13. Any transfer of assets or control that requires Commission approval.
14. Plans to modify/cancel tariff(s).
15. Plans for handling customer deposits, credits, and/or termination liabilities or penalties.
16. Plans for unlocking the E-911 database, including the letter detailed in Section VIII.
17. Ability to provision quick dial tone.

**IV. Industry Notification**

At the same time the exiting CLEC files its Application and Exit Plan with the Commission, it shall also serve the documents on:

- The Arranged Carrier(s), if any;
- All local exchange carriers known to provide service in the affected area;
- All underlying Network Service Providers (NSPs) used by the exiting CLEC to provide service (addressed to the NSP account representative for the exiting CLEC);
- Any other parties to whom the exiting CLEC is required to give notice under related interconnection, resale, or service agreements; and
- The Telecommunications Division of the Commission.

The Telecommunications Division may instruct the exiting CLEC to serve additional parties in the industry.

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This industry notification is important; as it will help all parties manage the migration process. Specifically, all carriers should be aware that there are special order processing procedures associated with mass migrations. In order to avoid duplicate orders and confusion, when a carrier is notified of a mass migration, it should process any associated end user customer orders on a cutover coordination basis. To determine how to process orders, the carrier should check with the project manager for the exiting CLEC.

If necessary, an industry conference call may be established by Staff in order to address potential problem areas and procedures.

**V. Customer Notification**

**A. Timeline**

Carriers involved in mass migrations must meet the following timelines in order to ensure enough time to migrate customers:

- Exiting CLEC (and, when applicable, any Arranged Carriers) must (jointly) notify customers 60 days in advance of the final service termination date. This letter must comply with FCC and Commission requirements including a listing of the service rates and terms of any Arranged Carrier named in the notice.
- In accordance with FCC requirements, any Arranged Carrier named in a customer notice must provide its potential end user customers 30 days to make an informed decision before it begins migrating customers. Thus, the first 30-day segment after the initial notification will be the FCC mandated 30-day decision period. The next 30-days after the 60-day notice will be used by the Arranged Carrier to begin migrating customers who have not made other carrier selections.

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If the exiting CLEC or any Arranged Carrier is unable to meet one or more of these deadlines, it may request that the Director of the Telecommunications Division waive the deadline(s). If the Director of the Telecommunications Division waives the above prescribed deadline(s), the CLEC and its Arranged Carrier(s) shall meet any other deadline(s) as may be prescribed.

**B. Contents**

Appendix A to these guidelines contains two sample letters that illustrate what information must be included in the letter to be sent by the exiting CLEC that is notifying the customer of discontinuing service. Letter 1 represents the information that the exiting CLEC must send to the customer when there is an Arranged Carrier named as a potential service provider. Letter 2 represents the information that the exiting CLEC must send to the customer when the exiting CLEC has not made any customer service arrangements with any other Arranged Carrier.

The appropriate customer notification letter should include the following elements at a minimum:

- Identify the new Arranged Carrier, if applicable. Identify the default provider if there is no Arranged Carrier.
- State the customer's right to choose an alternative carrier in all types of mass migrations.
- State the customer's need to take prompt action when there is no Arranged Carrier.
- Provide clear instructions to the customer regarding the choice of an alternative provider, including a list of the services impacted by the change in service provider

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- Provide a toll-free number for the exiting carrier and the Arranged Carrier(s), if any.
- Clearly state time deadlines for customer action in accordance with the Commission's Mass Migration Guidelines.
- Applicable information about long distance service and whether it may be impacted by the cutover.
- State the customer's responsibility for payment of telephone bills during the migration period.

A second notice must be given to each customer who has not taken action to select a carrier. The timeframe of the second notice will depend upon the circumstances of the migration. The form of the second notice will be left to the discretion of the exiting carrier and could include any, or all of, the following: a follow-up letter, a telephone call to the customer, a bill insert, or any other effective means of direct contact with the customer.

Mass migrations involving an Arranged Carrier must identify a cut-off date. The cut-off date is defined as the date after which customers will have to wait until the mass migration is completed before they can obtain local exchange service from a different provider. When the customer is notified 60 days in advance of the proposed service termination date, the cut-off date will be 30 days from the scheduled migration. This cut-off date is intended to ensure that the customer has adequate time to make a decision and that the Arranged Carrier has adequate time to send out notification information concerning the scheduled migration. Customers who have not selected an alternative provider by the cut-off date will then be transferred to the Arranged Carrier. If pursuant to Section V. A, above, the Commission permits a customer notice interval of less than 60



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days, the Commission will also establish a cut-off date. Regardless, the notification process must allow the customer 30 days to select a new local carrier.

**VI. Mass Migration Process**

Each mass migration must have an overall program manager responsible for the coordinating the overall migration. In addition, each of the parties involved in the migration must have a project manager who works with the overall program manager and is accountable to the overall program manager for the project manager's company's mass migration efforts. The overall program manager is accountable to each of the parties involved in the migration. The individual parties involved in the migration could be:

- The exiting CLEC
- The underlying Network Service Provider(s)
- If applicable, any Arranged Carrier(s)
- If applicable, any new Network Service Provider(s)
- If applicable, any default service provider(s)
- Commission Staff

The overall program manager will generally be provided by the exiting CLEC.

**A. Customer Lists**

At least sixty days prior to the projected cutover date, the exiting CLEC must submit its customer list to the Commission. This customer list is required so Staff can assess the nature of the customers being cutover, track the progress of the cutover, and facilitate as needed the customer migration process through

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identification of impacted customers. Specifically, Staff needs to determine the size of the customer base and to identify health and safety related customers. Additionally, Staff will be using the list for customer contact purposes to identify and avoid migration problems. Where the cutover is of a simple resale serving arrangement with few customers, Staff may waive this requirement at the exiting carrier's request, if Staff determines that the customer list will not be needed for these or any other purposes.

Carriers' submission of customer lists and Staff use of or disclosure of customer list information will be subject to applicable laws and regulations relating to public disclosure of records, confidential trade secret status, and privacy protections.

The customer list should include: customer name, telephone number(s), address, class of service, and type of serving arrangements (UNE-Platform, resale, UNE-Loop, full facilities, etc.). To the extent possible, customer lists shall also include an identification of "priority" or "essential" customers. For purposes of these Guidelines, "priority/essential" customers will be defined as any: hospital, ambulance, police, fire, national security, civil defense, or any customer who has obtained Telecommunications Service Priority (TSP) authorization from the federal government. Also, to the extent possible, customer lists should also identify any "at risk" customers whose particular serving arrangements may create cutover problems.

Additionally, the exiting CLEC must have available the CSR data elements to enable any carrier(s) to migrate the exiting CLEC's customers seamlessly. Staff

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may request CSR data elements for “at risk” customers. Specifically, the data elements required to migrate a customer are:

- Type of service configuration information (e.g., resale, UNE-Platform, UNE-Loop, full facilities, etc.)
- Class of service
- Complete customer billing name and address (including floor, suite, unit, etc.)
- Customer directory listing information, including address, listing type, and stand alone listings if applicable
- Complete Customer service address
- Billing telephone number and associated telephone numbers (e.g., working telephone number)
- If applicable, circuit Ids
- Current PICs (inter/intraLATA toll), including freeze status
- Local freezes (if applicable)
- All vertical features (e.g., custom calling, hunting, etc.)
- Options (e.g., Lifeline, 900 blocking, toll blocking, remote call forwarding, off premises extensions, etc.)
- Tracking number or transaction number (e.g., purchase order number)
- Identification of the Network Service Provider(s)
- Identification of any line sharing/line splitting on the migrating end user’s line

**B. Progress Reports**

The exiting CLEC must track the progress of the migrations and provide Staff with progress reports. The frequency of the updates will vary with the magnitude of the mass migration cutover as well as customer risk factors.

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When processing orders for migrations, it should be emphasized that all parties need to be flexible. In this regard, there will be circumstances where the framework outlined in this project management section will need to be modified to accommodate unique circumstances. This framework is not intended to preclude parties from negotiating special procedures aimed at facilitating customer service. A model of the mass migration process steps is identified in Appendix B.

**VII. NXX Code Transfers**

If the exiting CLEC has any NXX codes or thousand number blocks assigned, it must make transfer arrangements with the code administrator at least 66 days prior to the migration (or by such earlier date as shall be specified by the code administrator). If arrangements are not made, calls may not be completed. For specific information, refer to the Central Office Code (NXX) Assignment Guidelines and Thousands-Block (NXX-X) Pooling Administration Guidelines developed by the Industry Numbering Committee. In addition, neither NXX codes nor thousand number blocks can be disconnected by the exiting CLEC if any number within the relevant range of numbers has not yet been completely ported.

**VIII. E-911**

A CLEC discontinuing service must unlock all of its telephone numbers in the E-911 database. This will provide any new local service provider access to its new end user's E-911 record. Unlocking the E-911 database is required by the National Emergency Numbering Association's (NENA) standards to which all

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carriers must adhere. In addition, the exiting CLEC must submit a letter to the appropriate E-911 service provider authorizing the E-911 service provider to unlock any remaining E-911 records after the CLEC has exited the market. This letter must be provided at least 30 days prior to the CLEC exiting the market.

**IX. Criteria for Commission Approval of a Carrier's Termination of Service**

A CLEC must continue to provide local exchange service until its Application to withdraw is approved by the Commission. (See General Order 96-A, § XIV; see also D.02-05-044.)

A CLEC who has not filed an effective Exit Plan or has not executed its Exit Plan properly is unlikely to receive Commission approval to leave the market. However, even in the best case scenario where an Exit Plan has been properly followed, there may be customers who will not be fully migrated, or migrated at all, at the time the exiting carrier would like to terminate service. In deciding whether to approve a CLEC's Application to withdraw, the Commission will be guided by its view of what is in the public interest. Specifically, the Commission will consider the following factors when deciding upon a CLEC's Application to withdraw:

1. Progress of Customer Migrations – The Commission will consider the number of local service customers that have not yet switched to an alternate local service carrier, or have not made firm arrangements to switch to another local carrier. The greater the number of customers who are in jeopardy of losing their local service altogether, the higher the likelihood that the exiting CLEC's request for termination on a specified date will be denied.

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2. Availability of Alternatives: The Commission will consider the ease with which customers who have not switched to another local carrier will be able to obtain alternate local service based on facilities available in the absence of the exiting carrier.
3. Nature of the Customer Base – The Commission will consider the nature of the customer base that is in jeopardy of losing local service, despite the best efforts of the exiting carrier. In particular, the Commission will not ordinarily approve the exit from the market by any carrier where the result will be loss of local service to the following types of end users: a) national security or civil defense authorities, b) hospitals, c) police, d) fire departments, e) ambulance and rescue corps, and f) any customer who has obtained Telecommunications Service Priority (TSP) authorization under FCC regulations from the federal government.

These Guidelines place additional requirements on CLECs voluntarily exiting the California market. Nothing in these Guidelines shall limit the right to exercise any right that an ILEC, or any other carrier providing service to or interconnecting with a CLEC, may have under an interconnection or resale agreement, a tariff, a court order, or otherwise, to suspend or terminate its provision of interconnection, network elements, or services, to a CLEC.

However, once an exiting carrier has an Application and Exit Plan on file with the Commission, the ILEC or other carrier providing service to or interconnecting with a CLEC must notify Staff 30 days prior to suspending or terminating interconnection, network elements, or services to the exiting CLEC to ensure that customers do not lose essential voice services. If the exiting carrier will not file an Application and Exit Plan, the underlying carrier must notify Staff of that fact as soon as possible, so Staff can take necessary steps, which could

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include the preparation of a Resolution, to ensure the underlying carrier arranges customer notification and continues essential voice services to affected customers.

**X. Default Carrier and Termination Actions When Migration Procedures Fail**

When there is no Arranged Carrier and customers have not selected a new carrier in a reasonable period of time, the Commission may require that a Default Carrier provide service. The Default Carrier would be either the Underlying Network Service Provider, the Carrier of Last Resort in the area being served, or a carrier that offers the same type of service as the carrier going out of business.

**XI. Compensation for Underlying Network Service Providers or Default Carriers Who Provide Service to Customers Beyond the Cutoff Date**

When the Arranged Carrier is unable to provide service in conformance with the Exit Plan and the Underlying Network Service Provider or Default Carrier must provide service temporarily, the Arranged Carrier must negotiate an agreement with the Underlying Network Service Provider or Default Carrier to compensate that provider during that period as part of the Exit Plan or Mass Migration Process. If the Exit Plan fails, the Commission may require that the Arranged Carrier compensate the Default Carrier for continuing to provide service and transferring customers until the customers have migrated to that carrier. In any circumstance where the Commission orders the Default Carrier to provide service and compensation cannot be arranged, the Default Carrier shall be eligible for reimbursement of the costs of providing service and transferring customers until the customers are migrated to the Default Carrier or another service provider using applicable procedures under their regulatory framework,

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including exogenous factors under the annual price cap adjustment or one of the high cost fund surcharges.



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**Appendix A**

Letter #1-Sample Customer Notification Letter (with Arranged Carrier)

**This letter should be coordinated with the Arranged Carrier for appropriate timeframes and rates and terms to be included in the letter.**

Date (60 days prior to exit)

Customer Name

Address

City, CA zip

**YOUR SERVICE WILL BE TRANSFERRED TO (name of arranged carrier)  
UNLESS YOU CHOOSE A NEW LOCAL TELEPHONE SERVICE PROVIDER  
BY ( 30 days prior to discontinuance of service Date)**

Dear Customer:

We regret to inform you that — subject to the approval of the California Public Utilities Commission (CPUC) — XYZ Company will no longer be providing your local telephone service effective (insert discontinuance of service date). (Insert explanation of specific company circumstances.)

If you do not select a new local telephone service provider on or before (30 days prior to discontinuance of service date), (name of arranged carrier) may automatically become your local telephone service provider effective (date). If you wait to select an alternative provider after (30 days prior to discontinuance of service date), your choice can only be put into effect after the change to (name of arranged carrier) and will therefore be delayed. You will not incur any charges for the change to (name of arranged carrier). If you select another provider of your choice, you may incur additional charges. In the transfer of service to (name of arranged carrier), all efforts will be made so your local telephone number will remain the same and your existing local service and calling features will be transferred to (name of arranged carrier). Please be aware that you are responsible for paying all bills rendered to you by XYZ Company during this transition. You may be subject to suspension or termination of your

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phone service in accordance with CPUC rules if you fail to pay your telephone bill.

**If you do not want service from (name of arranged carrier), your action is required! You must select a new local telephone provider as quickly as possible but no later than (30 days prior to the proposed discontinuance of service date) to avoid the possibility of your telephone service being transferred to (name of arranged carrier). If you no longer want any local service, please contact XYZ Company to disconnect service.**

After selecting a new local telephone provider, you should also contact your current long distance provider to ensure that your current long distance calling plan is not changed as the result of your change in local service. If you do not contact your long distance provider, you may be charged basic rates (non-calling plan rates) for long distance calls.

[Insert information on arranged carrier's services and rates, terms, and conditions, and on the means by which arranged carrier will notify the customer of any changes to these rates, terms and conditions.]

[Insert any other useful information regarding mass migration process, e.g., plans for refund of customer deposits, transfer, removal or abandonment of any XYZ Company-owned equipment or facilities located on the customer's premises, etc.]

[Insert any information required by the CPUC, FCC, or any other applicable law.]

If you have any questions regarding the discontinuance of XYZ Company's local telephone service, please call (toll free number). Questions regarding (arranged carrier) should be directed to (toll free number of primary new carrier). XYZ Company regrets any inconvenience this change may cause you.

Sincerely,

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**Letter # 2-Sample Customer Notification Letter (without an arranged carrier)**

Date (60 days prior to exit)\_

Customer Name

Address

City, California zip

**YOU MUST CHOOSE A NEW LOCAL TELEPHONE SERVICE PROVIDER BY (30 days prior to the proposed discontinuance of service date) TO AVOID POSSIBLE DISCONTINUATION OF SERVICE.**

Dear Customer:

We regret to inform you that — subject to the approval of the California Public Utilities Commission (CPUC) — XYZ Company will no longer be providing your local telephone service effective (proposed discontinuance of service date).

(Insert explanation of specific company circumstances)

**Your action is required! You must select a new local telephone provider as quickly as possible but no later than (30 days prior to the proposed discontinuance of service date) to avoid possible loss of your local telephone service.**

Please be aware that you are responsible for paying all bills rendered to you by XYZ Company during this transition. You may be subject to suspension or termination of your phone service in accordance with CPUC rules if you fail to pay your telephone bill.

After selecting a new local telephone provider, you should also contact your current long distance provider to ensure that your current long distance calling plan is not changed as a result of your change in your local service. If you do not contact your long distance provider, you may be charged basic rates (non-calling plan rates) for long distance calls.

[Insert any other useful information regarding mass migration process, e.g., plans for refund of customer deposits, transfer, removal or abandonment of any

**ATTACHMENT A**  
**(cont'd)**

XYZ Company-owned equipment or facilities located on the customer's premises, etc.]

[Insert any information required by the CPUC, FCC, or any other applicable law.]

Generally, you can find a list of most local telephone service providers in your local telephone directory. If you require assistance, please contact XYZ Company (current company) at (toll free number). Finally, if you no longer want local service, please contact us to disconnect your service.

XYZ Company regrets any inconvenience this change may cause you.

Sincerely,

**ATTACHMENT A**  
**(cont'd)**

**APPENDIX B**

<b>Day</b>	<b>Milestone</b>
90	<ul style="list-style-type: none"> <li>▪ Exiting CLEC files an Application to Withdraw from Service and Exit Plan with the Commission and serves interested parties. Exiting CLEC encouraged to submit draft Exit Plan to Commission staff in advance of filing.</li> <li>▪ Commission staff informs exiting CLEC of any other industry parties that should be served. (<i>See</i> Section IV)</li> <li>▪ Exiting CLEC to begin process to transfer its NXX codes in accordance with proper industry procedures. (<i>See</i> Section VII)</li> <li>▪ Exiting CLEC gives notice of its proposed discontinuance of service to any Network Service Provider used by the exiting CLEC to provide service. Exiting CLEC encouraged to notify Network Service Provider in advance of filing Application and Exit Plan.</li> </ul>
60	<ul style="list-style-type: none"> <li>▪ Exiting CLEC notify customers that CLEC is exiting the market, subject to Commission approval. Inform them that if they do not select another carrier within 30 days:               <ol style="list-style-type: none"> <li>1. they will be transferred to the Arranged Carrier (if there is one), or</li> <li>2. they will be transferred to a Default Carrier (if there is no Arranged Carrier and the Default Carrier provides the service offered by the CLEC)</li> </ol> </li> <li>▪ Exiting CLEC provides customer information lists to Commission and Arranged Carrier.</li> </ul>
30	<ul style="list-style-type: none"> <li>▪ Arranged Carrier, if any, notifies customers of their status.</li> <li>▪ Arranged Carrier notifies its Network Service Provider Account Manager of its need for a Mass Migration Project Manager. (This is the minimum allowable timeframe. The Arranged Carrier should notify the Network Service Provider as early as possible regarding a Mass Migration.)</li> <li>▪ Arranged Carrier notifies the Network Service Provider of the total number of lines and the Central Offices or collocations involved in the</li> </ul>

**ATTACHMENT A**  
**(cont'd)**

	migration. (Note there is a maximum of lines that can be worked per night per geographical area).
30	<ul style="list-style-type: none"> <li>▪ If there is an Arranged Carrier, any customers who have not selected a carrier will be migrated to the Arranged Carrier.</li> </ul>
17	<ul style="list-style-type: none"> <li>▪ Project Manager advises Arranged Carrier of the due dates and the number of lines per Central Office per due date.</li> </ul>
15	<ul style="list-style-type: none"> <li>▪ Arranged Carrier issues valid LSRs to facilitating ILEC or other Network Service Provider no later than 15 business days prior to due date, if required. (If exiting CLEC has obtained Network Service Provider's consent for Arranged Carrier to reuse existing loop facilities, exiting CLEC must provide reusable circuit ID with the associated telephone number.)</li> <li>▪ The Arranged Carrier's Network Service Provider Project Manager provides specifics to be included on LSRs, e.g., Frame Due Times. Due Dates on any LSRs sent to Network Service Provider after this interval must be negotiated with the Project Manager. Late LSRs may not be included in Project.</li> </ul>
12	<ul style="list-style-type: none"> <li>▪ Upon receipt of valid LSR, the Arranged Carrier's Network Service Provider to provide LSR Confirmation to Arranged Carrier.</li> </ul>
10	<ul style="list-style-type: none"> <li>▪ If no Arranged Carrier, cut-off date.</li> <li>▪ Where appropriate (i.e. loop migrations), Arranged Carrier provides its Network Service Provider's Project Manager with spreadsheet or other negotiated document for each CO. Spreadsheet will include CO, PON, BTN, WTN, CLEC Cable and Pair, Circuit ID, and Out and In order numbers (obtained from LSRC).</li> <li>▪ The Arranged Carrier's Network Service Provider performs all pre-work to ensure migration's smooth progress (e.g. prewiring, ANAC, etc.) consistent with provisioning requirements of specific type of service.</li> </ul>

**ATTACHMENT A**  
**(cont'd)**

2	<ul style="list-style-type: none"> <li>▪ The Arranged Carrier's Network Service Provider notifies Arranged Carrier of any discrepancies.</li> <li>▪ Arranged Carrier takes appropriate actions required to correct discrepancies.</li> </ul>
1	<ul style="list-style-type: none"> <li>▪ Unresolved service order discrepancies rescheduled for evaluation.</li> </ul>
0	<ul style="list-style-type: none"> <li>▪ Target discontinuance of service date. All scheduled orders worked. When there is no Arranged Carrier or sufficient network service provision arrangements are not in place to allow Arranged Carrier to provide uninterrupted service, exiting CLEC must receive Commission approval to terminate local service. (<i>See</i> Sections III, IX) If there is no Arranged Carrier or migration to the Arranged Carrier fails, customers will be migrated to a default provider if that provider offers the same service.</li> </ul>



**ATTACHMENT A**  
**(cont'd)**

**(End of Attachment A)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling and Scoping Memo on all parties of record in this proceeding or their attorneys of record.

Dated May 4, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.